

bailey benefit news

This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



Reinsurance Fees

The Affordable Care Act requires contributions to be paid by both fully-insured and self-funded health plans which will fund the Transitional Reinsurance Program which is in place from 2014 to 2016. The program then pays insurers in the individual market that cover high risk individuals.

For calendar year 2014, the fee is \$63 per member per month. The calculation of members is based on one of the four methodologies that is also used for the PCORI fee calculation. Your account team at Bailey & Company Benefits Group will assist you in determining the method that is most advantageous to your organization.

A form will be available via www.pay.gov where a contributing entity will provide basic company contact information and the annual enrollment count for the applicable benefit year no later than November 15. The form will auto-calculate the contribution amount.

A "contributing entity" is defined as an insurer for insured group health plans or a third-party administrator on behalf of a self-insured group health plan. With respect to self-insured plans, the plan is liable, although a third-party administrator or administrative-services only contractor may be used to transfer reinsurance payments on behalf of a self-insured plan, at that plan's discretion.

To complete the submission, contributing entities will also submit payment information and schedule a payment date for remittance of the contributions. This website (www.pay.gov) provides a "one-stop" approach to complete the reinsurance contributions process.

HHS will offer training on this process on July 18th and July 23rd via a webinar. If you are interested in attending the training, please register on <https://www.regtap.com>.

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